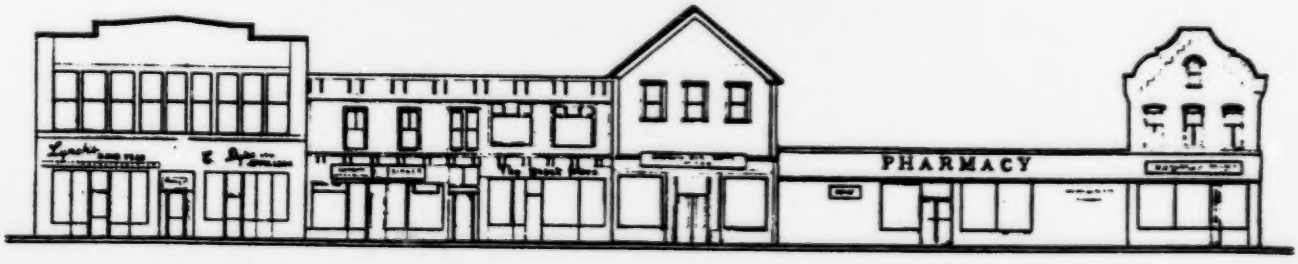
1987 Survey of

Business Improvement District Commissions



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Nova Scotia
Department of
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Community Planning Division

BUSINESS IMPROVEMENT DISTRICT COMMISSION SURVEY

1987

INTRODUCTION:

This report provides a consolidation of a questionnaire survey which was distributed to all Business Improvement Districts Commissions in April of 1987. The results of this survey refer to data from 1987. Of the 16 BIDCs operating in the Province in 1987, 11 responded to the survey. This represents a response rate of 69%.

The purpose of this report is to outline the operations, the problems and the successes of BIDCs throughout Nova Scotia, in order to facilitate comparison among them including the identification of similarities and trends. As this was the first survey of this kind carried out in the Province, it is hoped that the data contained in this report will provide a base with which annual trends and changes can be identified.

It is hoped that this report will assist the various BIDCs in the Province by providing comparative information, and in helping to chart the future activities in their own Commission, based on the initiatives of others.

It should be noted that throughout this report averages are used to

consolidate the information provided. This data should be used with caution keeping in mind the number of completed responses received. It should also be noted that the values given in each section of this report refer only to the BIDCs which completed the relevant section of the survey, not to the entire sixteen BIDCs in the Province.

SIZE:

Business Improvement District Commissions in the Province serve communities with a wide range of population. In 1986 the population range of communities responding to the survey was from 711 to 12,124 persons. The average population of the communities served was 5,569 persons.

The number of ratepayers with real property assessment accounts in the BIDs ranged from 38 to 181 properties with an average of 93, and from 31 to 303 business occupancy accounts with an average of 146. The average total of real property assessment across BIDs was $12,808,453 with a range of $2,338,400 to $32,885,000, while the average total of business occupancy assessment was $5,450,205, with a range of $802,285 to $13,949,810.

BUDGET:

The total budget for the nine BIDCs which responded to this question was $1,109,560. Individual budgets ranged from a minimum of $36,590 to

a maximum of $336,215, with an average annual budget of $123,284. There were various sources of revenue or funding for these budgets, and different BIDCs utilized these sources to various degrees. Following is a breakdown of the various revenue sources:

SOURCES OF REVENUE

Revenue source	# of BIDCs utilizing revenue source *	% of all revenue for all BIDCs
BID tax levy	11	45.9%
Mainstreet funding	6	32.5%
Municipality	4	11.1%
Federal Job Creation	2	3.8%
Other (includes revenue from festivals, surplus)	5	6.6%
	Total:	100.0%

* there were 11 responses to this question

From this table it can be seen that in overall terms, BIDCs funded approximately 50% of their budgets through their own resources (BID tax levy, and other sources), and 50% through outside sources including grants from the Municipal, Provincial and Federal governments. It should be noted, however, that 5 of the BIDCs stated that the tax levy was their sole source of revenue.

Expenditures on various budget items also varied among the BIDCs in the Province, based on their goals and priorities and the problems and

needs in their individual communities. The following table provides a summary of the types of expenditures made in 1987.

EXPENDITURES

Expenditure	# of BIDCs making expenditure *	Average $ spent	% of total expenditures of all BIDCs
fixed improvements	6	$57,263	34.0%
administration/salaries	8	$33,405	26.4%
promotion/advertising	5	$28,000	13.8%
grants to business orgs.	3	$35,211	10.4%
parking lot improvement	4	$14,800	5.9%
movable street improv.	3	$11,258	3.3%
other (interest,etc.)	1	$26,395**	2.6%
parking lot maintenance	1	$15,100**	1.5%
maint. of street improv.	2	$5,387	1.1%
property acquisition for parking lots	1	$7,000**	0.7%
special events	1	$3,000**	0.3%
		Total:	100.0%

* there were 8 responses to this question
** this is an absolute value not an average as there was only one response

From this table it is clear that the major activities of the BIDCs, based on expenditures made, included the installation of fixed area improvements, the promotion and advertising of the BID, and the provision of grants to various businesses in the BID for beautification projects. Together these particular projects made up almost 60% of the total budgets of all BIDCs. The other major expenditure of the BIDCs

was administration and salaries which accounted for over 25% of the budgets. It should be noted that no BIDC stated that they made expenditures on planning studies or consultant fees, grants to individuals, or property acquisition for purposes other than parking.

It should be noted that property acquisition in general was not considered to be an important role of the BIDCs based on the expenditure record in 1987. This is confirmed by the fact that none of the BIDCs reported owning land for any purpose. Regarding land for parking facilities, 66% of the BIDCs did not own or control parking lots in the BID, while 33% reported leasing land for this purpose, or simply having control over designated parking lots in the BID.

In relation to the balance of revenue and expenditures, it was stated by 5 out of 9 BIDCs that a deficit situation had occurred in the history of the BIDC. In all of these cases it was noted that the shortfall was charged to the next year's budget, with a loan from the Municipality or the use of surplus funds to carry the deficit in the current year.

BIDC RATES:

It was noted in considering the sources of revenues of the BIDC that the tax levy on businesses made up the largest total share of revenue at 45.9%. The BID rate varied greatly, as is shown in the following table:

BID RATES

Business Improvement District	Real property rate (¢ per $100 assessment)	Business occupancy rate (¢ per $100 assessment)
Bridgetown	40	40
Antigonish	35	35
Windsor	25	25
Amherst	25	5
Middleton	22	22
Bridgewater	15	14
N. Sydney	13	13
Truro	12	25
Tatamagouche	10	10
Yarmouth	4	77
Kentville	3	6
Average:	19	25

It can be seen in this table that the majority of responding BIDCs charged a BID rate which was roughly equivalent for real property accounts and for business occupancy accounts. Interesting exceptions include Amherst, where the real property rate was 5 times the business occupancy rate, and Yarmouth, where the business occupancy rate was approximately 20 times the real property rate. The total of real and occupancy rates ranged from 9¢ to 81¢ per $200 of combined assessment, with 7 out of 11 BIDCs in the 20¢ to 50¢ range.

The schedule of payments of these levies from the Municipality or Town to the BIDC varied from a monthly to an annual payment, with monthly

payments representing the most common payment schedule (See following Table).

FREQUENCY OF PAYMENTS TO COMMISSION

Frequency	# of BIDCs on payment schedule
yearly	1
twice per year	1
quarterly	3
six times per year	1
monthly	4
as needed	1

In 1987, 6 out of 8 BIDCs reported that a portion of the tax rate had not been collected. A total of 6 BIDCs had a situation of non-collection of part of the real property levy, with the amount uncollected ranging from 3.6% to 67% of the applied levy. However, in 4 out of 6 of these cases, the uncollected levy was less than 5%. Regarding business occupancy levies, 4 BIDCs reported non-collection ranging from 1.4% to 49.2% of the applied levy, with 3 out of 4 of these cases having an uncollected levy of less than 5%. It should be noted that no BIDC reported the high percentage non-collection of BID rates in both the real property and business occupancy cases.

The Towns, which are responsible for collecting BID levies, all dealt with these uncollected levies using the same general accounting procedures. Basically, all of the Towns included the outstanding BID

levies as a portion of their total valuation reserve, ie. the allowance used to reserve funds for cases in which outstanding municipal taxes are never collected.

In addition, BIDCs stated that they attempted to make-up these outstanding levies by deliberately creating a surplus, by not spending their entire budget. One respondent noted that uncollected levies were not a problem for the BID, because they were paid by the Town on the basis of taxes rated, not on the basis of taxes actually collected.

STAFFING:

Of the BID Commissions who responded to this question, all reported having a range of 5 to 8 members, with the most common size being 8 members. Of these Commission members, from zero to five in each BIDC were Municipal or Town Councillors, with the most common value being 2 members. In addition it was stated that a range of zero to two members per Commission were non-business persons.

Respondents stated that the membership of the Commission was selected through various means in each BID. The most common approach was the selection of Commission members by Council, through recommendations of the BID Commission ratepayers, or the Downtown Development Corporation.

Of the 10 BIDCs responding, 6 stated that they had coordinators on staff (5 full-time and 1 part-time). These coordinators spent their

time on various tasks for the Commission.

COORDINATORS' TASKS

Tasks	# of coordinators engaging in task	% of total time spent on tasks by all coordinators
organization of promotions	6	32%
administration/bookkeeping	3	18%
encouraging individuals to participate in improvement programs	6	15%
org. of special events	5	13%
supervision/facilitation of physical improvement projects	6	7%
working with consultants on planning projects	5	6%
community economic development	2	5%
negotiating property acquis.	3	2%
recruiting new businesses	1	2%
	Total:	100%

As this table shows, coordinators spent the majority of their time on promotions for the District as well as the organization of special events, and on encouraging the businesses in the BID to participate in improvement programs. Administration of the BIDC took up approximately 1/5 of the coordinators' time. Recruiting new businesses and negotiating property acquisition did not take up a significant portion of the coordinators' time.

The salaries of these 6 coordinators varied as follows:

COORDINATORS' SALARIES

salary range	# of coordinators in salary range
$5,000 - $15,000	1 (part time)
$15,001 - $25,000	2
$25,001 - $35,000	1
> $35,000	2

There are 4 BIDCs which had secretaries on staff (2 full time and 2 part time). In one case the secretary also performed a promotions coordinator function, releasing the coordinator from this task. The remainder of the BIDCs used the secretarial services of the Town office. Following is a breakdown of the range of salaries for secretaries directly employed by the BIDC.

SECRETARIES' SALARIES

Salary range	# of secretaries in salary range
$5,000 - $12,000	1 (part time)
$12,001 - $19,000	3

In addition to the coordinator and secretarial positions, 4 of the BIDCs reported employing other staff, including promotion assistants and outside caretakers. Additional staff were hired only when government programs provided employment funding.

COMMUNICATIONS:

BIDCs reported communicating with their membership in a variety of ways. The most prevalent form of communication was formal meetings of the Commission. The number of meetings per year varied as follows:

MEETINGS PER YEAR

Number of meetings per year	# of BIDCs using meeting schedule*
24	1
12	4
6	1
4	2
1	1

* there were 9 responses to this question

In terms of the annual meeting used to discuss the 1987 budget of the BIDC, it was noted that the BIDCs had a range of zero to 31 members of the public in attendance. In 4 out of 10 cases there were 20 or more members of the public in attendance, and in 6 out of 10 cases there were 5 or fewer members of the public present. At this meeting, reaction to the budget was generally favourable or unanimous in 9 out of 10 cases. Unfavourable comments were received in only 1 case, and this resulted in changes being made to the budget at the Commission meeting. As for approval of the budget by the Town or Municipal

Council, the budgets were approved as submitted in 8 out of 10 cases. In the remaining two cases the budget amount was reduced by Council, or specific items were deleted.

In addition to the scheduled meetings of the Commissions, 2 BIDCs reported using newsletters to communicate with their membership, 5 used informal contacts, and 3 used other forms of communication including media coverage, special promotions meetings, and regular memoranda.

MUNICIPAL SUPPORT/ASSISTANCE:

BIDCs were asked in this case to document the ways in which the Town or Municipality provided direct assistance to the operation of the BIDC. It was reported that 7 of the 11 BIDCs relied on the bookkeeping services of the Town Clerk or treasurer, and in 3 of these 7 cases the BIDC was charged a management fee by the Municipality for this service. This fee ranged from $3,000 per year to approximately $7,000 per year, (which represented 10% of annual tax levy in this particular case). In the remaining 4 cases, the coordinator or secretary of the Commission performed the bookkeeping duties. It should be noted that in 2 of these 4 cases the BIDCs were given assistance by the Municipality for bookkeeping, which included the issuing of cheques and statements of accounts, and the maintenance of records on the municipal computer system. Finally, it was reported that in 70% of the BIDCs the Town

provided banking services, and in 30% of the cases it was handled by BIDC staff.

RELATIONSHIP WITH OTHER COMMUNITY AGENCIES:

Five of the municipalities which responded stated that there was a Downtown Development Corporation in place in the community. In 3 Towns, the BIDCs transferred funds directly to the Downtown Development Corporation, and in one case the BIDC leased land from the Downtown Development Corporation for parking.

In 6 out of 10 Municipalities there was a BID Committee of Council in place, which was separate from the BID Commission. It was stated that the roles of this Committee were to advise Council on public projects in the BID, to handle the public sector portion of the Mainstreet Program, and to provide services to downtown merchants. One BID Commission noted that they served the BID Committee by developing and implementing capital projects as requested.

In addition to the above agencies, 5 BIDCs reported that other community groups were given direct assistance by the BIDC. These groups included industrial commissions, boards of trade, an historical society, a community futures agency, an arts council, and local tourism committees.

STUDIES:

Although no direct expenditures were used to perform studies relevant to the BIDC, 4 BIDCs reported doing studies in 1987. These studies included a retail mix and market survey, a study on signage, promotions analysis, and a general business study. Municipal assistance to undertake the studies was provided in 2 cases. As no money was directly spent on studies according to the breakdown of expenditures in 1987, it seems clear that these studies were done "in-house" without the use of outside consultants.

In addition to these studies, 3 out of 10 BIDCs reported having input into the municipal planning process in 1987. This input was generally made informally or through briefs to Council.

PROBLEMS:

In the survey, BIDCs were asked to note any problems they had encountered in the two broad areas of streetscape improvements and general operations. Following is a summary of responses for the first of these:

PROBLEMS WITH STREETSCAPE IMPROVEMENTS

Problem	# of BIDCs affected *
vandalism	8
plant survival	7
shifting paving bricks	4
snow removal	3
quality/cost of improvements	3
safety	2
other(placement of decorative streetlamps)	1

* there were 9 responses to this question

In general the two most common problems reported by the BIDC were vandalism and plant survival. It should be noted that many of the comments relating to plant survival stated that the problems were due to vandalism of plants and trees. Specific acts of vandalism included damage to ornamental lighting and benches, damage to flower gardens, trees and tree guards, and overturning of planters and garbage cans.

It should also be noted that no respondents reported any specific problems with maintenance of streetscape facilities or with slippery pavement. In addition it is interesting to note that one BIDC reported no problems related to their streetscape improvements.

In relation to problems with operations, the following responses were provided:

PROBLEMS WITH BIDC OPERATIONS

Problem	# of BIDCs affected *
apathy	7
uniform store hours	7
transient traders	6
vandalism	6
signage-by-laws	5
street vendors	4
legislation regarding store openings	3
boundary adjustments	3
conflicts of interest	2
other (Council-Commission communication)	1

* there were 8 responses to this question

The two most prevalent problems related to operations were apathy and the lack of uniform store hours. It was noted in the matter of apathy that it was difficult to get merchants involved in activities for the Commission, and that attendance at Commission meetings was a continuing problem. As for the problem of uniform store hours, BIDCs reported that they were unable to implement a consistent store opening policy, and that more work at cooperation was needed. The problem of transient traders in the BID was noted in 6 cases, but all commented that the problem was only minor.

SUCCESSES:

In addition to identifying the ongoing problems in the BID, survey respondents were also asked to comment on their impressions of the level of success achieved by the Commission. The types of successes generated relate to the standard goals and objectives of putting a BIDC in place in a business area.

SUCCESSES

Characteristic	# of BIDCs reporting change in characteristic*		
	increased	decreased	same
attractiveness of store fronts	9		
attractiveness of streets/sidewalks	9		
number of customers	8		
level of people related activity	8		
level of commercial assessment above inflation levels	8		1
number of service outlets	7		1
number of businesses	6		2
ease of customer parking	6	2	1
sales receipts above inflation levels	5		2
customer complaints about district	1	5	
number of retail sales outlets	4		5

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* there were 9 responses to this question

From this summary it is clear that the majority of Commissions have identified positive trends occurring in the Business Improvement District. All respondents stated that the physical aspects of the district, including the attractiveness of storefronts, sidewalks and

streets, have improved. In addition, the fact that almost 90% of the BIDCs reported an increased number of customers and people related activities, shows that the districts are evolving as "people places".

The only negative trends identified include a decrease in the ease of customer parking in two of the BIDCs, and the fact that the number of retail sales outlets has not increased in the BIDC in over half of the cases. Overall, this portion of the survey seems to confirm that the majority of Commissions in Nova Scotia perceived positive trends in relation to their operations and initiatives.

THE FUTURE:

As a conclusion to the survey BIDCs were asked to comment on both the future role of the Commission in their communities, and on the role they felt should be fulfilled by the Province in order to assist the Commission.

In relation to the future role of the BID Commission, two major comments can be identified. These comments were made by two or more of the responding Commissions. Primarily it was stated that the Commission should broaden its role to one which is concerned with total community economic development. It could then provide joint services, and serve as a consolidated source of information for all government programs available to businesses and industry in the community.

Secondly, the role of unifying merchants and the business community and representing their interests to Town Council, was seen as a key future goal by several of the BIDCs. Other goals identified were to encourage uniformity in store hours, to priorize budget items in the downtown area, to engage in promotional activities, and to provide support to the Downtown Development Corporation.

Regarding the future role of the Province in relation to the BIDCs in Nova Scotia, the respondents suggested several ways in which the Province could improve on their present operations and relationship with the BIDCs, and proposed new services that could be provided by the Province. In terms of improved operations, it was stated that the BIDCs should have better access to information on "central files", that budget cuts should only be made in light of the special needs of individual towns, and that there should be a better estimate of the provincial budget allowance available before the BIDCs set levy rates. In addition, it was stated that more guarantees were needed for Mainstreet Program funding in the long term so that BIDCs could commit themselves to longer term projects.

In relation to new services, it was suggested that the Province could help BIDCs to consolidate their operations with other agencies in the Municipality, such as industrial commissions, in order to promote the concept of unified community economic development. Finally, it was stated that the Province should provide more uniformity in the set-up

of BID Commissions and Committees, and aid in the coordination of "special projects" which could benefit all BIDCs in the Province.

CONCLUSION:

The results of this survey have shown that BIDCs in Nova Scotia do perform an effective role in the development and promotion of local downtown business districts. Many survey respondents noted not only specific successes in their communities, but also ways in which they feel they could be more effective in the future. In addition, several problems in the operation of the BIDC, which appear to be common throughout the Province, were noted, although it was stated that some of these problems are being ameliorated.

In summary, it is hoped that this summary report and will serve as an information base for the BIDCs presently operating in the Province, and will provide needed information for other Nova Scotia communities interested in setting up Business Improvement Districts in the future.